

**Congress of the United States**  
**Washington, DC 20510**

December 22, 2023

The Honorable Gary Gensler  
Chair  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, D.C. 20549

Mr. Robert W. Cook  
President & Chief Executive Officer  
Financial Industry Regulatory Authority  
1735 K Street NW  
Washington, D.C. 20006

Dear Chairman Gensler and Mr. Cook:

We write to request that the Financial Industry Regulatory Authority (FINRA) and the Securities and Exchange Commission (SEC) review events surrounding Meta Materials Series A preferred shares (MMTLP).

As you know, MMTLP was created during a merger between Meta Materials (MMAT) and Torchlight Energy Resources (TRCH) to provide preferred stock dividends to TRCH shareholders.<sup>1</sup> MMTLP shares began trading on the OTC market in 2021. In the summer of 2022, the SEC received and subsequently approved a Form S-1 and amendments to spin-off a portion of the company, Meta Materials, into a new company, Next Bridge Hydrocarbons (NBH).<sup>2</sup> On December 9, 2022, FINRA issued a U3 halt on trading in the company's stock, preventing shareholders from making further trades.<sup>3</sup> Since the halt, constituent investors have contacted Members of Congress regarding the spin-off transaction and the subsequent halt on trading. Specifically, we have received more than 40,000 letters from concerned investors.<sup>4</sup>

Many of our constituents have concerns regarding the circumstances surrounding the U3 halt and level of short selling in MMTLP. As you know, the securities industry is regulated by a disclosure-based regime, and transparency is paramount to FINRA's and the SEC's goals of protecting investors and ensuring market integrity. We believe it is appropriate that FINRA and

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<sup>1</sup> *Securities and Exchange Commission, EDGAR*, "Torchlight Announces Payment of a Special Series A Preferred Stock Dividend, a 1:2 Reverse Stock Split and Planned Closing of the Arrangement Agreement with Meta Material, Inc." <https://www.sec.gov/Archives/edgar/data/1431959/000119312521203407/d189140dex991.htm> (last visited Dec. 8, 2023).

<sup>2</sup> Press Release, Meta Materials, "Meta Materials Inc. Board of Directors Approves Planned Completion of the Spin-off of Next Bridge Hydrocarbons Inc.," <https://metamaterial.com/meta-materials-inc-board-of-directors-approves-planned-completion-of-the-spin-off-of-next-bridge-hydrocarbons-inc/> (last visited Dec. 8, 2023).

<sup>3</sup> Daily Notice, FINRA, "Attn: Trading and Market Making/Legal and Compliance/Operations/Systems UNIFORM PRACTICE ADVISORY (UPC # 35-22) 12/09/2022," [https://www.finra.org/sites/default/files/2022-12/UPC-35-2022-MMTLP%28Halt%29\\_2.pdf](https://www.finra.org/sites/default/files/2022-12/UPC-35-2022-MMTLP%28Halt%29_2.pdf), (last visited Dec. 8, 2023).

<sup>4</sup> CONGRESSIONAL RESEARCH SERVICE, *Meme Stock MMTLP and FINRA Trading Halt*, (Aug. 21, 2023) <https://www.crs.gov/Reports/IN12228>.

the SEC review these market events and determine what, if any, wrongdoing may have occurred in order to dispel misinformation and properly safeguard investors.

Please provide a response to the following questions and requests no later than January 31, 2024:

1. Provide a timeline of trading of MMTLP on the OTC markets; the actions taken by the SEC, self-regulatory organizations, the issuers, the transfer agent, and any other relevant parties during the time MMTLP was traded; and the transaction that produced Next Bridge Hydrocarbon shares.
2. The Former CEO of Torchlight Energy Resources stated that “MMTLP was never designed to trade.”<sup>5</sup> Please provide a detailed explanation, including the relevant statutory authority and procedures, that allowed for MMTLP shares to trade on the OTC market.
3. Provide the relevant statutory authority, jurisdiction, and adherence to established industry standards regarding the U3 trading halt of MMTLP issued on December 9, 2022.
4. Provide the exact date and circumstances surrounding FINRA’s determination to implement the U3 halt, including all unredacted communications between FINRA, SEC, governmental agencies, any outside organizations, FINRA members and non-FINRA members, and any other individuals. Also include all information surrounding the SEC or FINRA’s knowledge of the share price in any public or non-public exchange before issuance of the U3 halt.
5. Provide the first date and time that FINRA or its agents advised any market participant in any manner that MMTLP would no longer trade on December 9, 2022. Include any relevant documents or communication.
6. Did FINRA issue a Blue Sheet request for MMTLP during the period of October 2021 through December 2022? Why or why not?
7. How many questions, complaints, and/or inquiries have you received regarding MMTLP?
8. Provide the statutory or legal justification used by the SEC and FINRA to ignore public requests and congressional inquiries regarding MMTLP.
9. Provide the delivery of a certified audited and consolidated count of shares that were held by all U.S. and foreign financial institutions, together with their clearing firm counter-brokers including trades not reported in the consolidated audit trail (CAT), related to MMTLP on the date of December 12, 2022. Please include all shares/holdings of long and short positions, as well as IOUs held by each participating broker and market participant as record owner, beneficial owner, or in any other capacity (each reported separately) including but not limited to: all shares registered at AST, all shares held in

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<sup>5</sup> Brandon Kochkodin, *MMTLP: The Wild Saga of the Meme Stock That’s Left Thousands of Shareholders with Nothing*, Forbes Middle East, (Apr. 27, 2023) <https://www.forbesmiddleeast.com/money/markets/mmtlp-the-wild-saga-of-the-meme-stock-thats-left-thousands-of-shareholders-with-nothing>.

U.S. broker dealers, all shares held offshore that were traded and never settled through the appropriate clearing channels, and the ability to provide the location associated with each short position identified above.

10. Have all MMTLP shareholders received their NBH shares?
11. In your view, did MMTLP investors knowingly enter into a risk-taking transaction with full understanding of material information and without misleading guidance from social media or elsewhere? For example, the SEC has charged social media influencers with manipulation schemes in the past.<sup>6</sup>
12. In your view, are there better ways to provide transparency and clarity regarding risk disclosures that could enhance market integrity and reduce market disruptions? For example, retail investors and experts (e.g., OTC Markets Group's vice president) were reportedly confused about MMTLP's final trading date.<sup>7</sup> As such, investors may not have been able to optimize their investment decisions.
13. Do you have evidence to suggest the existence of fraud and manipulation related to MMTLP transactions, such as illegal forms of naked shorts and counterfeit shares, that could distort the market?
14. Have you seen any indications of insider trading and/or pump and dump related to MMTLP transactions?
15. Are your organizations willing to work with NBH to determine a resolution for existing shareholders? For example, some investors have expressed concern that, even though their brokerage account statements include shares of NBH in their account, these shares may not have actually been delivered to their broker-dealers.
16. Identify any regulatory or legislative gaps that should be addressed to ensure the SEC, FINRA, and other regulated entities may better protect investors and strengthen market integrity.

We look forward to your response. Thank you for your attention to this important matter.

Sincerely,



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Ralph Norman  
Member of Congress



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Pete Sessions  
Member of Congress

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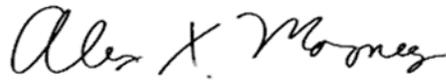
<sup>6</sup> Press Release, Securities and Exchange Commission, “SEC Charges Eight Social Media Influencers in \$100 Million Stock Manipulation Scheme Promoted on Discord and Twitter,” (last visited December 8, 2023).

<sup>7</sup> *Supra*, note 5.



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Bill Posey  
Member of Congress



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Alex Mooney  
Member of Congress



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Bryan Steil  
Member of Congress



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Mike Flood  
Member of Congress



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Bryon Donalds  
Member of Congress



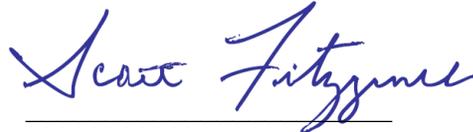
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Erin Houchin  
Member of Congress



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Barry Loudermilk  
Member of Congress



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Scott Fitzgerald  
Member of Congress



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William Timmons  
Member of Congress



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Warren Davidson  
Member of Congress



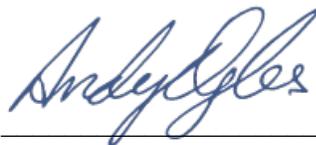
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Michael V. Lawler  
Member of Congress



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John Rose  
Member of Congress



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Andy Ogles  
Member of Congress



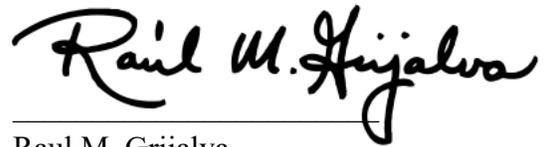
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Marcy Kaptur  
Member of Congress



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Jeff Van Drew  
Member of Congress



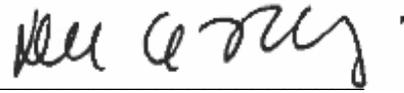
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Raul M. Grijalva  
Member of Congress



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Joe Wilson  
Member of Congress



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Delia Ramirez  
Member of Congress



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Stephanie Bice  
Member of Congress



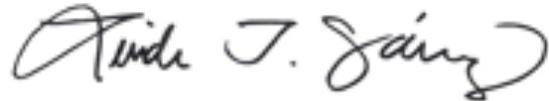
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Betty McCollum  
Member of Congress



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Ron Estes  
Member of Congress



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Linda T. Sánchez  
Member of Congress



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Mike Ezell  
Member of Congress



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Darren Soto  
Member of Congress



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John Rutherford  
Member of Congress



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Bill Johnson  
Member of Congress



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Eli Crane  
Member of Congress



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Daniel Webster  
Member of Congress



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Troy E. Nehls  
Member of Congress



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Jeff Duncan  
Member of Congress



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Russell Fry  
Member of Congress



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Brian Fitzpatrick  
Member of Congress



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Lisa McClain  
Member of Congress



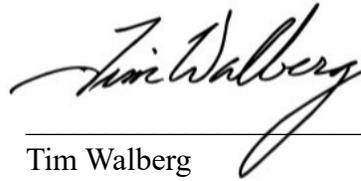
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Andy Harris, M.D.  
Member of Congress



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Andy Biggs  
Member of Congress



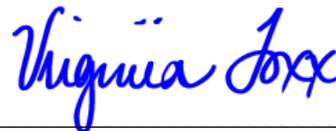
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Tim Walberg  
Member of Congress



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Diana Harshbarger  
Member of Congress



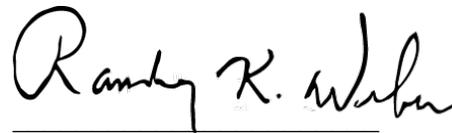
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Virginia Foxx  
Member of Congress



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Randy Feenstra  
Member of Congress



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Randy Weber  
Member of Congress



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Adrian Smith  
Member of Congress



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Scott Franklin  
Member of Congress



Marc Molinaro  
Member of Congress



John Moolenaar  
Member of Congress



Paul A. Gosar, D.D.S.  
Member of Congress



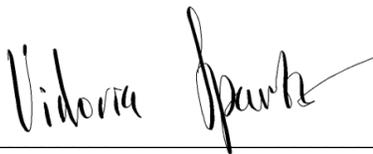
Doug Lamborn  
Member of Congress



Nancy Mace  
Member of Congress



Barry Moore  
Member of Congress



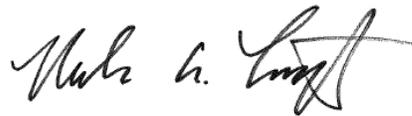
Victoria Spartz  
Member of Congress



Carlos A. Gimenez  
Member of Congress



Beth Van Duyne  
Member of Congress



Nick Langworthy  
Member of Congress



Earl L. "Buddy" Carter  
Member of Congress



Mike Carey  
Member of Congress



Nicole Malliotakis  
Member of Congress



Lance Gooden  
Member of Congress



Gus M. Bilirakis  
Member of Congress



John Joyce  
Member of Congress



James Comer  
Member of Congress



Maria Elvira Salazar  
Member of Congress



Cory Mills  
Member of Congress



W. Gregory Steube  
Member of Congress



Matthew M. Rosendale  
Member of Congress



Claudia Tenney  
Member of Congress



Matt Gaetz  
Member of Congress



Jenniffer Gonzalez-Colon  
Member of Congress



August Pfluger  
Member of Congress



Nick LaLota  
Member of Congress



Rich McCormick, MD, MBA  
Member of Congress



Jen Kiggans  
Member of Congress



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Max Miller  
Member of Congress



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Lauren Boebert  
Member of Congress